RESEARCH REPORT

FEASIBILITY STUDY FOR A MULTI-UNIT RENTAL HOUSING DATABASE

HOUSING AFFORDABILITY AND FINANCE SERIES

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Feasibility Study for a Multi-unit Rental Housing Database

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PREFACE

Information is central to efficient markets and resource allocation. Housing is a complex commodity, offering consumers a wide array of amenities and presenting investors, builders and realtors with complex business decisions. The market participants in the housing industry depend on a range of market and investment information to guide their decisions.

In addition to demographic data and economic forecasts that foretell where the consumer is headed, information on costs and the industry environment is needed for business decisions. In particular, those involved in building, marketing and financing multi-family rental housing are often presented with the most complex environment. Demographics, economic trends, regulation, and public policy often intertwine to create a complex decision environment.

This study reviews the feasibility of a data base on multi-family rental housing that would allow investors, developers and builders to obtain current market information on the operating costs and rates of return from alternative buildings. Specifically this study examines the demand and potential use for this information, the willingness to pay to access the data, and most importantly, the willingness of industry participants to share information on their property. Clearly, central to such a data base are the procedures used to aggregate information to protect the confidentiality of individual properties.

Based on extensive industry interviews, the study concludes that insufficient interest exists in the housing industry to support this concept. Although, respondents reported that they need information on individual urban multifamily markets, most think that costs for such a database would be prohibitive. They also believe that even in large centres, insufficient numbers of properties exist to support useful information once they are aggregated into clusters to protect identities; also, market information from one city is of little use in another.

Finally, respondents stated that other issues need to be resolved (e.g., renewing the deteriorated stock) before a database is developed for the multifamily rental housing market.

ACKNOWLEDGMENTS

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EXECUTIVE SUMMARY

Canada Mortgage and Housing Corporation (CMHC) contracted with PRA Inc. to determine the feasibility of creating an industry wide database for the multi-unit rental housing industry. This database would represent a shared resource among those involved in the industry including: property owners and managers; builders, lenders and loan servicers; government agencies; industry associations, advisors, appraisers, and members of academia.

Four key questions guided the research:

- Should CMHC initiate the development of a Canadian multiple unit housing data base?
- Are there opportunities to partner with other organizations?
- Is a joint venture with the US effort feasible and desirable?
- What are the options for proceeding?

Based on survey data, views represented in key informant group interviews and the low survey response rates, we believe that demand for an industry-wide database is insufficient to support its implementation at the current time. Although many report that having more information would be beneficial and help improve the efficiency of the capital market in housing, most believe that the proposed database would be too costly to produce and maintain without providing enough added value for all contributors to make it viable.

Key findings are as follows:

Information needs

- *The industry wants more information* – Respondents reported that they want more information, particularly data on valuation (last sale, current valuation, vacancy rates, etc.), property attributes (general location, project size, unit sizes, amenities, etc.) and financial performance (return on equity, gross rent, management charges, utility costs, etc.). Most would like this information to compare their own properties to industry benchmarks, while some would use it to frame/develop policy and advocate for their constituency.

- *Information needs are regional* – Most survey respondents want information at the city level. While intra-provincial or national information would be "somewhat useful", respondents said they want data specific to their market for the purposes of strategic planning, analysis, and making purchase decisions.

- *Benchmarking is difficult* – Although some 70% of survey respondents would like more information in order to compare their properties to industry benchmarks, group interview participants said that the database would need to capture too many variables for the information to be useful. In their view, developing benchmarks from an industry database is problematic, as it would be difficult to capture all relevant data, and still provide a broad basis for comparison. Data variability resulting from different management philosophies and reporting styles adds to the concerns expressed by the industry.

- *Diverse needs have to be satisfied* – Information useful for one group will not necessarily be useful for another. Whereas property managers are interested in certain measures (capital costs, return on investment, demand for housing, etc.), others, such as government may be more interested in another set of measures (e.g., vacancy rates, rental rates, profitability) that may affect their policies and programs. Respondents stated that it would be difficult to develop a system that provides enough information to satisfy the information needs of all parties.

Pricing

- *Cost is a key concern* – Industry participants want more information, but only if the price is right. Creating and maintaining a database would be costly, and respondents doubted it would provide enough value to offset its costs. A few said that they would provide information only if "paid to do so", while several others would do so only if costs were low. Others already gather information in-house or rely on their own experience in the industry, and are reluctant to duplicate their own efforts.

Confidentiality

- *Market sparsity in many markets present a barrier to confidentiality* – In the major marketplaces, guaranteeing confidentiality is likely not a problem, so long as most industry representatives provide information. The AptData (United States - Multifamily Housing Institute) model of aggregation (information is provided in groups of 10 properties and 3 owners) was considered acceptable in such cases. However, in areas of low market density, maintaining confidentiality is difficult, leaving the database applicable only to a few large markets (Montreal, Toronto, Vancouver and possibly Edmonton and Calgary).

Other

- *Reports must be timely* – Decision making often occurs in a relatively short period. At the very least, semi-annual or quarterly reports would be needed to provide useful information. However, the greater the frequency, the higher the costs and demand on participants to provide information. It is difficult to gauge how much turn-around time would be expected between the time data is collected and when it can be represented.

- *Respondents believe other issues are more important for multifamily rental housing* – Issues such as stimulating development of new multi-unit rental housing properties, and renewing the existing rental housing stock are more important to the industry. Respondents said clearly it is premature to consider a database until other impediments to activity in the multi-unit rental housing sector are removed.

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1. WHAT WAS THE PURPOSE OF THIS RESEARCH?

In recent years, Canada Mortgage and Housing Corporation (CMHC) has assumed increasing responsibilities to provide information to the rental housing industry. One strategy would involve increasing the depth and quality of information to create an industry wide database for the multi-unit rental housing industry. This research examines whether this notion is feasible.

The key research questions for this feasibility study are:

- *Should CMHC initiate the development of a Canadian multiple unit housing data base?* This question examines questions such as who might be clients to such a service, what information has to exist, what formats are most desirable for such an information system, how should the information be maintained, and how the project might be financed initially and on-going.

- *Are there opportunities to partner with other organizations?* What organizations would be interested in partnering with CMHC in the creation of an information system? Are these "partners" willing to underwrite the development of such a system? Are they willing to serve in an advisory capacity? Is there a need for broadly based financial performance indicators?

- *Is a joint venture with the US effort feasible and desirable?* The U.S. currently has a database that may serve as a blueprint for the Canadian model. A discussion of the U.S. system is included in the section below.

- *What are the options for proceeding?* That is, what is the business plan for such a system. Does the industry want it? Will they pay for it?

2. Background on APTData

In 1996, representatives from the multi-unit rental housing industry created an industry-wide database called the Apartment Performance and Trends Data Source, or "AptData" for short. AptData was created through the combined efforts of key industry representatives drawn from government, the business sector, and non-profit community. It is relevant to note that this initiative was industry led.

AptData was created primarily as a service to industry to improve the efficiency and liquidity of capital markets in the housing sector, by providing reliable and up-to-date financial information. It is intended to increase the amount and quality of data available on the costs of operation, revenues generated, and financial returns on investment, providing decision makers with better information to help reduce the risks of investment.

From a government perspective, AptData also provides more accurate information on the rate of return from the multi-unit rental housing sector, which in turn helps government and industry develop better policies that benefit both the industry and the housing consumer.

2.1 Management of AptData

AptData is managed by the Multifamily Housing Institute (MFHI), a non-profit research and educational organization comprised of members from the multifamily housing industry. MFHI's main goal is to improve the quality and quantity of information available so as to foster a more liquid, efficient, and stable market for debt and equity capital for the multifamily industry. It also has a mandate to provide an impartial source of financial performance data and a forum for industry participants to develop benchmarks and industry standards.

MFHI's membership is drawn from more than 90 organizations and professionals in the multifamiliy housing industry, including property owners and managers, lenders and loan servicers, government agencies, industry associations, appraisers and academics.

2.2 Financing

AptData was initially funded through a Fannie Mae Challenge Grant ($50,000), and broad industry participation. A feasibility study was completed in 1995, and an assessment of AptData's initial system requirements was completed in 1996.

In October 1996, MFHI raised $3 million in capital to develop the AptData database. Funding came predominantly from four major sponsors; the US Department of Housing and Urban Development (Approximately $US 1.5 million), The Urban Land Institute ($350,000), Fannie Mae ($150,000) and Freddie Mac ($100,000).

Currently, the annual operating costs of AptData is about US$1.25 million. This covers salaries and benefits for three senior employees, data acquisition, and technical and input support. On a per asset (property) basis, unit costs are approximately $50 (US).

2.3 Categories and features

AptData contains property characteristics, annual income and expense information (1996 to 1998) on over 3.2 million apartment units in more than 25,000 rental properties. It also includes quarterly mortgage finance information (i.e., debt service coverage, interest rate spreads and terms, maturity dates, etc.) on about 10,000 properties for the same period. Recently, quarterly surveys of rent, occupancy, and turnover for 15,000 properties were added.

Users of the database include: property owners and managers; lenders and loan servicers; government agencies; industry associations, advisors, appraisers, and members of academia. Owners, lenders and property managers contribute information directly to AptData, which is then standardized and made

available to other members subject to confidentiality restrictions. Users are able to access trends either nationally or by particular regions, state metropolitan statistical areas (MSAs), cities, or by zip code. AptData stores this information in approximately 225 data fields. Key categories include:

- Property static fields which include coordinates of the property, number of units, distribution of bedrooms, and amenities.
- Property values, such as current market value and replacement cost.
- Dynamic performance indicators, such as rents, net income, financing, and vacancies.
- Affordability data, including FHA and non FHA program indicators, rent subsidies, grants, and tax abatements.
- Loan dynamic information, such as principal balance, loan amounts, and foreclosure date.

2.4 System capabilities and online services

AptData offers members an array of services, ranging from online queries, to more advanced custom analytical services. Level of access depends upon membership level (and annual fees paid), and the extent to which one wishes to purchase additional customized services. Examples of customized services include:

- Online Service. AptData has an online query capability which is a tool for running property and peer group composites. Members are able to perform a variety of research and decision-support searches.
- Custom Analysis. The Institute's staff is available to do specialized research using the system, such as:
  - Statistical analysis
  - Data mining
  - Benchmarks
  - Running batch reports for portfolios.
- Custom On-Line Service. The MFHI staff can create and save custom reports in the "Favorite Reports" area once the service is on the Web.
  - Custom Datasets. Members can request downloads of "pre-aggregated" datasets and run their own analyses in-house.

2.5 Data collection logistics

AptData collects information either bi-annually or quarterly depending on the user. As of 1998, AptData contained information on over 3.2 million apartment units in more than 25,000 rental properties throughout the United States. This dataset represents approximately 30% of the United State's largest multifamily properties.

Users are nationally distributed. According to MFHI figures, the geographic breakdown as of March 31, 1998 is as follows:

- 24% of units in the database are from the Midwest, and a similar proportion are from the NorthEast
- 17% of units are from the Southeast and 14% from the Pacific
- Units in the Southwest make up 10% of the database, while 6% are from the Northwest and 5% from New England.

To ensure confidentiality, AptData users access information from 10 or more properties and from 3 or more data providers. Information on individual assets is not accessible by third parties.

Due to confidentiality restrictions, AptData is only able to report on 193 of 300 Metropolitan Service Areas, or 64% of the total urban areas in the United States.

2.6 Data providers

AptData participants include a broad range of the US's largest owners, lenders, and property managers. The Institute is presently attempting

to increase the number of smaller properties and non-profit organizations participating in the database.

Key data providers include:

- Boston Financial
- Equity Residential Properties Trust
- Fannie Mae
- Freddie Mac
- Insignia Financial Group.

The larger providers supply approximately 50% of the data to the system in "bulk" electronic form. The other 50% is acquired from paper or call centre surveys from about 400 organizations, and requires extensive manual input.

3.0 HOW WAS THIS RESEARCH CONDUCTED?

This research involved two phases:

- a quantitative survey of key informants from the multi-unit rental housing industry (n=35).
- four teleconference group interviews with respondents from the Task 2 survey (n=9).

The research sample was primarily drawn from six Canadian cities: Toronto, Vancouver, Calgary, Halifax, Montreal, and Winnipeg. Representatives from Ottawa, Victoria, and Edmonton were also included. We created the sample in consultation with CMHC, identifying the main participants by sector for each city.

3.1 The survey of key informants had a low response rate

Table 1:
Methodology - Survey of key informants

Task	Outcome
Questionnaire creation	The questionnaire was designed by PRA in conjunction with CMHC. The questionnaire addressed three main issues: • *Information needs of industry representatives* – What variables are most useful? How should the data be broken down (regional, national, CMA, etc.)? What functions would this data help support (e.g., benchmarking, policy making, etc.)? What sources of information are currently used? • *Confidentiality* – Is market density sufficient to support the proposed database? Under what conditions would you share information? • *Perceived advantages / disadvantages* – Would information improve efficiency of capital market? Would it benefit non-profit organizations and industry associations? Pricing and funding were not directly addressed through the survey, as we first wanted to assess industry demand for such a product, irrespective of cost. The questionnaire was provided in both French and English.
Creating the sample frame	The survey sample included representatives from provincial housing departments, financial institutions, housing associations and property management firms. The sample frame was built through PRA research, from lists provided by CMHC, PRA's external consultant, and references provided by others in the sample. The research sample was primarily drawn from six Canadian cities: Toronto, Vancouver, Calgary, Halifax, Montreal and Winnipeg. Representatives from Ottawa, Victoria, and Edmonton were also included. The sample frame was reviewed by CMHC and an external consultant, to ensure inclusion of key industry players.
Task	**Outcome**
Initial call	An initial call was made to everyone in the database to qualify participants (i.e., to see if they were involved in the multi-unit rental housing industry) and to confirm details (fax, contact name, etc.). From the original sample, we selected 65 respondents. Respondents were selected to proportionately cover each of the industry sectors and targeted Canadian regions. Some people in the original sample were disqualified as they were not involved in the multi-unit rental housing sector.

Table 1 *(Cont'd)*
Methodology - Survey of key informants

Phase 1	A sample of 65 questionnaires were sent to key respondents. Two follow-up calls were made, one by PRA telephone interviewers and the second by Greg Mason (Managing Partner) and Mike Krywy (project manager). The latter call was in response to initial low survey response rates. A fax reminder was also sent prior to the second follow-up call. The initial goal was 50 returned questionnaires, with only 8 returned at the time of the second follow up call.
Phase 2	Due to the low survey response rate, a second wave of questionnaires was sent (n=21) to those contacted during the initial phase but not sent a questionnaire. Two follow-up calls were also made, but the response rate remained below the target of 50 completed questionnaires.
Phase 3 and 4	An additional sample frame (n=19) was provided by CMHC. An initial call was again made to qualify participants, confirm details, and add any referred names to the sample. A single follow-up call was made to encourage a response.
Summary	Surveys were sent in four waves between March 26 and May 28, 1999. We made at least two calls to each respondent: an initial call to see whether respondents were qualified and to confirm details (fax, contact name, etc.); and, at least one follow-up call to encourage people to return the questionnaire. The final survey response rate was 33% (35 responses from a sample of 106) even after responding to our initial call. Approximately one in eight (13%) said they were not-qualified for the survey, as they did not deal with multi-unit rental housing properties.

3.2 Teleconference participants were drawn from a sample of survey respondents

PRA conducted group interviews with industry representatives to determine:

- What, if any, advantages exist in having an industry-wide database?
- What concerns do people have about such a database?
  - Is cost prohibitive?
  - Is there demand for a database?
  - Are alternative models or formats preferred?

Based on the low response rates for the survey of key informants (Task 2), our initial conclusion was that interest in this database was low. We used group interviews with industry representatives to test this hypothesis further and to gain a deeper understanding of the industry's perception of the proposed database.

Table 2:
Profile of survey respondents

Type of respondent	# of participants
Financial	11
Associations	10
Property Management	9
Government	5
Total	**35**

We selected teleconference participants from those responding to the survey. All respondents were sent a fax and asked to participate. In total, PRA conducted four group interviews with nine industry representatives. Groups were composed of five association representatives, three property management firms and one government representative (see Appendix G for a list of participants).

4. WHO PARTICIPATED IN THE RESEARCH?

The majority of respondents participating in the survey are involved in property management (n=19). Other areas of speciality include financing (10), social housing (9), and building (8) Approximately half the respondent firms surveyed (n=18) have a full-time staff of more than fifty. Few had a full-time staff of less than 25 employees (n=6).

Associations that participated in the survey generally had fewer than 1,000 members. One claimed to have more than 25,000 members.

Table 3:
Areas of involvement in the multi-unit rental housing sector (n=35)

Response	# of responses
Property management	19
Financing	10
Social housing	9
Building	8
Real estate development	7
Appraisal	6
Renovation	6
Real estate sales	5
Urban or community planning	4
Other	9

Note: Respondents were asked to list up to 3 areas of greatest involvement.

Table 4:
What is your organization's size, by employees

Employment Status	Less than 5	5 to 10	11 to 25	26 to 50	More than 50
Full-time (n=30)	6	2	1	3	18
Part-time (n=17)	5	3	1	-	8

Table 5:
What is your organization's size, by membership (n=12)

Less than 1,000	1,000 to 4,999	5,000 to 9,999	10,000 to 24,999	More than 25,000
7	1	3	-	1

5.0 INFORMATION NEEDS

Respondents reported an important need for information in three main areas: valuation data (last sale, current valuation, vacancy rates, etc.), property attributes (general location, project size, unit sizes, amenities, etc.) and financial performance (return on equity, gross rent, management charges, utility costs, etc.).

- Of these three, some 80% of respondents said that the need for valuation data was very important, higher than any other category. Approximately 60% considered information on property attributes and financial performance very important.

- Many considered taxation information important or very important (71%), while just over half ranked loan information (51%) at these levels.

Other information that respondents considered important (listed independently) included:

- *demographic data:* e.g., population profiles, neighborhood profiles, average number of months in same housing by a household

- *additional property information* – e.g., utility data, services offered, property background, management type,

- *additional financial data* – e.g., planned capital expenditures, cap rate on sales, rental rates, promotional costs, vacancy and discount costs, borrower versus market housing.

5.1 Respondents are interested in comparing their property to industry benchmarks

Respondents were asked to identify how they would use an industry wide database, were it available.

- Approximately 70% of respondents (n=24) consider comparing their property with industry benchmarks an important function for this database.

- Some 60% of respondents would use the database to help them frame/develop policy and advocate for their constituency (n=20).

- Just over one-third consider making purchasing decisions or securing funding to be an important function.

- Other important functions (listed once independently) that the database could support include: analyzing rental stock characteristics; portfolio management; making geographic comparisons; and, comparing one's portfolio to market statistics to support securitization.

Table 6:
If you had access to a database on multi-unit rental housing, how important would the following types of information be? (n=35)

Type of information	Not at all important	Not very important	Neutral	Important	Very important	NA/DK
Property attributes	-	1	1	13	20	-
Valuation data	1	2	1	3	28	-
Financial performance	2	-	5	6	22	-
Loan information	4	4	7	6	12	2
Taxation	-	5	4	8	17	1

Table 7:
Thinking about how your organization would use information from an industry-wide database, how important would the following functions be to your organization? (n=35)

Type of Information	Not at all important	Not very important	Neutral	Important	Very important	NA/DK
Comparing one's properties with industry benchmarks	-	2	7	4	20	2
Making purchasing decisions	6	6	3	4	9	7
Secure funding	5	4	7	3	9	7
Frame/develop policy and advocate for your constituency	4	2	3	9	11	6

Group interview participants however, had some concerns about the ability of the database to deliver in these areas.

- *Benchmarking would be difficult* – Several group interview participants said that, to be useful, too many variables would need to be captured. This is an unavoidable problem of data aggregation. Unless all key attributes are captured in a database, data may not be useful. However, it is often difficult to define and gather relevant data, and still have a broad basis for comparison. As such, some questioned whether useful benchmarks could be developed that provided valuable enough measures of comparison between properties.

- *Data variability is a concern* – Most believed that data variability would also make it difficult to provide specific information. As one individual put it, management philosophies vary, and these differences affect the data. For example, some property managers will consistently spend money to maintain or upgrade their property. Others will wait for their building to decline prior to making an investment. When they do renovate, costs will be high. Although these are but two management styles, they generate different cost profiles over time. Were there enough properties in the database, some of this variability would likely average out. Low market density in some areas will not enable this to occur. As such, it would be challenging to develop accurate benchmarks for the Canadian market.

- *Reporting styles may vary or contain inaccuracies* – These variations would in turn also be carried forward and consequently misrepresent building information. This problem would be compounded if data were provided by independent sources, rather than centrally collected. Over time, these problems may be resolved through a process of standardization. However, for the system to be adopted, many of these issues would need to be worked out immediately rather than later.

- *Too many interests need to be satisfied* – One of the challenges in collecting information from different market players is that each will likely have different needs. Information useful for one group will not necessarily be useful for another. Whereas property managers are interested in certain measures (capital costs, return on investment, demand for housing, etc.), others, such as government may be more interested in another set of measures (e.g., vacancy rates, rental rates, profitability) that may impact their policies and programs. Many thought that it would be difficult to develop a system with enough information to appease all members.

5.2 Most rely on their own research and experience when gathering market information

When seeking information on the multi-unit rental housing market, most respondents rely on their own market/financial research (63%) or experience with properties that they have owned or managed (69%). These two sources of information are used always by the largest proportion of respondents.

- While only 11% said that they always turn to CMHC for information, some 63% reported that they often do so. Some two-thirds rely on industry contacts (word of mouth) for information (66%).
- Just over half (51%) said they turn to industry associations for information, while 37% said they rely on other government sources (often or always).

Other important sources (listed independently) included: social housing agencies which manage properties; service providers (e.g., accountants, mortgage brokers); appraisals and evaluators.

5.3 Most want information at the city level

Some 90% of respondents would find information at the city level to be valuable (n=31), with 71% stating that this information would be very useful.

- 94% said that information provided according to CMHC vacancy survey zones would be useful or very useful (n=33), while 83% wanted information at the provincial level (n=29).
- Although there was less interest for housing information from other Canadian cities or nationally, demand was still relatively strong. Some 74% wanted more information on the former, while 54% wanted national information.
- Other useful information breakdowns (listed independently) included: information by census units (divisions, subdivisions, etc.); information by postal code area; by U.S. districts; and by funding level.

Table 8:
How often do you rely on the following sources for financial and operational information on the multi-unit rental housing market in general? (n=35)

Sources of information	Never	Seldom	Sometimes	Often	Always	NA/DK
Own market / financial research	1	3	5	9	13	4
CMHC	-	1	8	22	4	-
Other government sources (e.g., provincial housing, Industry Canada)	1	8	13	9	4	-
Experience with properties owned/managed	3	2	3	11	13	3
Industry associations	1	2	13	14	4	1
Industry contacts (word of mouth)	1	-	10	17	6	1

Table 9:
How useful would information on the multi-unit rental housing market be for your organization in the following jurisdictions? (n=35)

Jurisdictions	Not at all	Not useful	Neutral	Useful	Very useful	NA/DK
In your city	-	-	2	6	25	2
In your province	-	2	4	10	19	-
In other cities in Canada	1	3	3	17	9	2
Nationally	3	4	5	12	7	4
CMHC vacancy survey zones	-	-	2	16	17	-

Although information needs will vary depending on the markets they are in, the more specific the market information the more useful it will be. During the group interviews, many expressed concern that information provided in an industry-wide database would be too general to be of use in strategic planning. All agreed that data needed to be aggregated at the regional and/or sub-regional level, as markets are highly segmented. As one participant stated, those involved in the Toronto rental market would have little or no interest in information from other Canadian markets, and may actually draw better information from those U.S. markets where demographic conditions are similar to Canadian centres.

6.0 CONFIDENTIALITY

6.1 Most think that confidentiality issues can be addressed, where market density is sufficient

Approximately 71% of respondents agreed that the U.S. model (AptData) provides an acceptable level of confidentiality. Only 2 out of 35 respondents found this formula unacceptable while 8 offered no opinion.

When asked to provide additional explanation regarding an acceptable confidentiality level, 4 respondents reiterated that they would like a high level of confidentiality, while 3 mentioned concerns about market density.

Table 10:
Is the US model (10 properties, 3 owners) acceptable to you?

Yes	No	No opinion
25	2	8

Table 11:
What confidentiality level would be acceptable? (n=10)

Response	Number of responses
Negative leaning response	
High confidentiality level desired	4
Concerns about market density (e.g., number of households in a given area)	3
Data availability – might be difficult to find sufficient data	1
Neutral responses	
Confidentiality level irrelevant	1
'Properties' definition needs clarification	1

By way of summary, respondents were also asked to specify the conditions under which they would be prepared to share financial and operational data on their multi-unit rental housing properties.

Comments focused on three main issues:

- *Conditions for sharing information* – Six respondents said they would share information so long as adequate confidentiality measures were taken. Others mentioned the need to receive permission from their membership/ borrowers, while two respondents would submit information if others did so as well.

During the teleconferences, there was relatively little discussion of the concept of confidentiality, as most did not consider the database feasible.

- *Pricing* – seven respondents expressed concerns regarding the cost of the proposed database. Respondents wanted either a minimal membership price, free access, or payment to provide the information.

The issue of cost was also addressed during teleconference group interviews. The consensus was that the industry was not willing to pay for the database as it did not provide enough added value to offset not only the cost of membership, but also the cost of collecting the data on an ongoing basis. Unless the database could provide added value, and information that was not already accessible, participants said they would not be interested.

- *Process and product* – six respondents said they would need more information about the product and its associated information requirements before they would consider providing information.

Teleconference participants were also concerned about the usefulness of a database, given the localized nature of housing markets, the diversity of needs among database contributors, and the likely variability of the data. Some questioned whether the database would be capable of

accommodating the variety of ways that participants collect and aggregate data, yet provide specific enough outputs to be useful for market-place decision-making. Overall, most were skeptical about benchmarking.

Table 12:
Under what conditions would your firm be prepared to share financial and operational data on your real estate assets in multi-unit rental housing for use in an AptData type of database?(n=20)

Response	Number of responses
Sharing information	
Confidentiality	6
Borrowers/members must give permission	3
On the basis of reciprocity	2
Provided there is an industry-wide commitment	1
If cleared by legal department	1
Information is already available to the public	1
Would not share	1
Pricing	
Access at a preferential price	3
Resources are limited	2
Free access	1
If paid to do so	1
Process and product	
Depending on usefulness of information	3
Information requirement need to be defined	2
More information on the process is required	1

Note: Respondents could choose more than one answer.

7.0 Capital market efficiency

7.1 Approximately half think that access to information will improve capital market efficiency

Approximately half the respondents believed that access to information would improve the efficiency of the capital market, while the same proportion expressed "no opinion" on the subject.

Three respondents linked efficiency gains to the availability of better data, increased accuracy of proposals and better decision making. Detractors cited reasons why efficiency gains would not be realized, such as: funding driven by performance, not information; perceptions have a greater impact; management styles vary; and CMHC data is already sufficient.

Table 13:
Would access to information improve the efficiency of the capital market? (n=35)

Yes	No	No opinion
16	3	16

Table 14:
Reasons why access will / will not improve efficiency (n=9)

Response	Number of responses
Positive leaning responses	
Offers better data	1
Make proposals more accurate	1
Allow for better decision-making	1
Neutral responses	
Using own funds to finance	1
Depends on information	1
Negative leaning response	
Funding is driven by performance, not access to information	1
Perceptions have more of an effect	1
Management style/efficiency vary	1
Current CMHC data is sufficient	1

Note: Respondents could choose more than one answer.

7.2 Others suggest that there are more pressing concerns

According to group interview participants, an industry-wide multi-unit rental database has a low priority. Other issues, such as the lack of new multi-unit rental housing stock and the declining quality of existing stock far outweigh the desire for an industry-wide database.

A commonly heard view was that government does not have a good understanding either of the true cost of owning and operating properties, or why the multi-unit rental housing sector is too sluggish. According to one individual, government has not studied the industry enough to understand what is needed to improve it. As such, they claim that the rental housing stock is in decline and few are building new units to meet demand. Traditional renters, such as young singles and couples, are turning to other markets such as condominiums instead.

Several participants identified taxation policy as the heart of the problem. They claimed that current taxation policies are not conducive to new multi-unit rental housing developments. Another believed that there was not enough information on taxation and its impact on multi-unit rental housing, making policy development difficult. He claimed that government in his district lacked knowledge of taxation policy to help with the problem.

8.0 Benefits

Approximately half the respondents said that information would benefit non-profit organizations or industry associations, while a similar proportion provided no opinion. Again, the shared consensus is that more information would be useful, but the format and type of information that would be most beneficial remains to be decided.

Comments suggest that several non-profit groups see themselves as being on the "outside looking in", and do not have access to good information as they often rely on others to provide it.

Table 15:
Would such information benefit non-profit organizations or industry associations? (n=35)

Yes	No	No opinion
17	2	16

Table 16:
Reasons why information is beneficial (n=5)

Response	Number of responses
Positive leaning responses	
Non-profits operate outside industry mainstream where information access is limited	1
Information should be tailored to their public advocacy needs	1
Information lacking for non-profits	1
Information lacking in general	1
Negative leaning response	
Non-profits already have needed information	1

Note: Respondents could choose more than one answer.

9.0 Conclusions

Results from the survey and group interviews suggest that a multi-unit rental housing database is not feasible at this time.

Overall, survey responses indicate that those involved in the multi-unit rental housing industry would like more information (e.g., data on property attributes, property valuations, financial performance, loans and taxation). Respondents said they would use additional information to compare their properties against industry benchmarks and to assist them in policy development and advocacy. A smaller proportion said that additional information would help them make purchase decisions and secure funding.

Despite these generally positive findings, the demand for such an industry-wide database is conditioned by two other factors:

- the cost of creating, maintaining, analyzing, and extracting data from the database
- the importance of such a database relative to other concerns in the industry.

On these fronts, the demand for an industry-wide database, and the feasibility of implementing it are diminished greatly.

According to group interview participants, information, or the lack thereof, is not the main factor affecting capital flows into multi-unit rental housing. Other issues, such as the availability of new multi-unit rental housing stock, improvement of old rental stock, and revision to tax policy are more germane.

Respondents generally agreed, that to stimulate growth in the industry, housing and taxation policies need to change. Current activity in the industry is directed primarily toward renovating or reconverting old units. According to one respondent, reconversion has not been enough to meet demand in some markets. In order for supply to meet existing demand, other, more fundamental changes, are needed.

Although these conclusions are based primarily on a select group of industry representatives, the consistency of responses suggests that they are good indicators for the industry as a whole.

Overall, it seems that an industry-wide database is not feasible at this time, as; industry demand is low; the cost of developing a database is prohibitive; and, the information would not add much value for property managers, associations, and financial managers – the ones who are needed to participate.

ENDNOTES

1. Based on these costs, replicating AptData in Canada would cost at least $500,000 for the initial design and population of the database. This cost would vary depending on the willingness of a few lenders/owners to share information in compatible formats. Operating costs would also be at least $150,000 per year (staff and call centre follow-up on individual properties). However, refining these estimates and searching for lower cost options is very premature in the face of the tepid industry interest in the concept.

2. Only English respondents were chosen to make group interview facilitation easier.

APPENDIX A

LETTER TO SURVEY PARTICIPANTS

APPENDIX A
LETTER TO SURVEY PARTICIPANTS

DATE

Dear :

Investing in and managing multifamily housing is a complex and risky business. In the United States, the Multifamily Housing Institute has created an information system to help the housing industry manage the risk associated with creating affordable multifamily housing. They intend this information to allow those interested in building, buying, and managing multifamily housing to obtain a very accurate idea of the costs and returns involved in the industry. The Institute takes care to maintain the confidentiality of information provided by participants. This information system, known as AptData (www.multifamily.org), is now in its second year of operation.

Canada Mortgage and Housing Corporation (CMHC) has contracted with PRA Inc., an independent research company, to assess the value of such a database to the Canadian multifamily housing industry. Like its US counterpart, the proposed database would contain information on many aspects of the multifamily rental housing sector. Creation of the database would include representation from across the industry, including lenders, investors, property managers, developers and owners, property sales agents/brokers, associations, government and non-government agencies.

An important potential benefit of this database would be to offer independent, unbiased, and timely data on the financial returns and operating costs of multifamily housing. Such information would promote an efficient, liquid, and stable capital market for multifamily housing. Besides helping the private sector, such a database would add important information to help formulate better housing policies.

We are asking industry representatives to participate in a brief research process (a written questionnaire and a potential follow-up interview) to help us assess the potential of such a system in Canada. We have appended an overview of AptData. Of course, if you and your colleagues believe the idea has merit, the final form and content will reflect the needs of the Canadian housing industry.

In later stages of this research we will consider other important factors, such as how such a system might be financed, the processes of collecting information, and confidentiality. For now, we simply wish to obtain your reaction to the idea itself.

All information you provide will be confidential within PRA. We will combine your responses with information from other respondents in our final and interim reports.

If you have any questions about the study, please contact either myself or Mike Krywy at (204) 987-2030 (or by email at mason@pra.ca or krywy@pra.ca). If you wish to speak with someone from CMHC, David Scherlowski at (613) 748-2428 would be pleased to discuss any aspect of this project.

We will be contacting you shortly. I look forward to hearing your reactions to this interesting idea.

Thank you.

Greg Mason (PRA)
Partner

APPENDIX B

SURVEY QUESTIONNAIRE

APPENDIX B
SURVEY QUESTIONNAIRE

AptData a Multiple-Unit Rental Housing Database – Does it have value for the Canadian Housing Industry?

Industry and Government have created AptData in the United States

In the United States, government, business, and the non-profit community have jointly created AptData, an extensive information system on the financial aspects of thousands of multifamily properties.

An efficient capital market in housing needs reliable financial information

Financing and constructing multifamily housing is risky. Increasing information on the costs of operation, revenues generated, and financial returns should increase the efficiency and liquidity of the capital market. This has direct benefit to lenders, builders, managers, government, and non-profit agencies.

Accurate data on costs leads to better housing policies

Accurate information on the rate of return from multifamily housing helps government and the industry develop better policies. Improved housing policy benefits both the industry and the housing consumer.

What does AptData do?

The database centralizes the collection and delivery of accurate information on the financial performance of multifamily housing properties. Participants in the project provide confidential financial information and have the right to obtain information on groups of other properties. Care is taken with the data. Users can only extract information on groups of properties spread across several owners. Because the information base is very large, users can extract a wide range of reports (slice and dice the data) that increase the insights on the financial performance of the industry.

How is AptData financed?

Key lenders, owners, managers, and government provided seed capital to create the on-line database. Ongoing support from membership fees and user charges for special analysis sustain it.

[Note: The Canadian system could operate this way. It could also operate with other forms of financial assistance, as an adjunct to the US system, or as a printed report, not available on-line.]

How is AptData managed?

An independent institute governed by an elected and/or appointed board of directors manages the project. The board includes key representatives from across the industry (i.e., representatives from government, the financial sector, property development, and owners/managers).

What does AptData look like?

The database is accessed through an Internet site. It stores information on property and loan performance in multifamily housing. Users can download reports from the 'Net' or request the staff to prepare special printed information.

Member participants, including key lending agencies, owners, managers, and government agencies provide the financial and housing property data. During its initial start-up, data was provided by key organizations involved in the pilot stage. Over time, this database is expected to broaden and include greater depth (historical tracking) and breadth of information.

What information is collected?

AptData tracks over 200 separate bits of information on occupancies, current market rents, revenues and expenses, financing type, terms and status, operating ratios, number of units along with geographic location.

Half the variables are tracked for each property/ asset while the remaining information depends on the nature of the property. Users can combine asset-specific data with information on income, neighbourhood services, area demographics, and economic trends.

A common system of measurement standardizes definitions of information submitted by members. The definitions are developed by organization members, drawing upon the experiences of U.S. researchers and industry members. Of primary importance is that this database is useful to the housing industry.

Confidentiality is carefully guarded

To prevent identification of individual properties, only data on groups of 10 or more properties and at least 3 different owners is released.

Users can never obtain information on an individual property unless permitted by the owner of that information. Reports focus on regions, markets, and sub-markets.

Users obtain many benefits

In addition to detailed financial performance information, users can also use the system to reconcile discrepancies in the data they provide. The data standardization system helps users rationalize the information on their own properties.

The database also enables providers to develop a portfolio of their assets available through the system. Of course, the provider of the data can always obtain the information on their own properties.

Information on AptData can be found at:

http://www.multifamily.org

Multi-Unit Rental Housing Database Sample of Variables Contained in AptDat
TYPICAL ELEMENTS
Property Static Information
Neighbourhood Type; Number of Units; Number of Handicapped Accessible Units; Number Efficiency Units; Sq Ft Efficiency Units; Total Parking Spaces; Garage Parking Spaces; Carport Parking Spaces; Net Commercial Sq Ft; Property Land Area (acres); Elevator Indicator; Air Conditioning Indicator; Wash/Dryer Indicator; Tennis Court Indicator; Swimming Pool Indicator; Basketball Court Indicator; Workout Facility Indicator; Ground Lease Indicator, etc.....
Property Valuation Information
Valuation Effective Date; Valuation Type (appraisal/external valuation, internal/underwriting assumption), actual sale price), Property Value; Replacement Cost; Comparable Sale Amount; Income Cap Amount, Total Estimated Project Amount; Vacancy Factor; Valuation NOI Amount; Actual DSC Ratio; Cap Rate, etc.....
Property Dynamic Performance Information
Revenue and Expense as of Date; Revenue and Expense Periods Included; Gross Potential Resident Rent; Gross Potential Govt Rent; Total Gross Potential Rent ; Total Vacancy; Residential Vacancy; Commercial Vacancy; Collection Loss; Net Commercial Rent; Interest Income; Nonrent Income; Total Revenue; Water Expense; Sewer Expense; Electricity Expense; Gas Expense; Oil Expense; Other Utility Expense; Insurance Expense; Social Service Expense; Taxes; Other Expense; Tax Abatement Indicator; Total Operating Expense; Net Operating Income; Interest Paid; Capital Expenditures; Residual Receipts Balance; Number Occupied Residential; Units; Number Vacant Units, etc....
Affordable Housing Information
This section of the database contains variables relating to eligibility for federal and state subsidies for low income housing.
Loan Static Information
Original Loan Amount; Loan Close Date; Interest Rate; Interest Rate Index; Term Amortization Period in Months; Original Loan Term in Months; Maturity Date; FHA Project Number; Payment Frequency; Prepayment Penalty; Indicator; Balloon Indicator; Original LTV Ratio; Original Property Value Amount for Interest Rate Index; Mortgage Margin or Spread; Original Loan Rate; Amortization Begin Month; etc.....
Loan Dynamic Information
Unpaid Principal Balance; Scheduled Principal Balance; Paid up to Date; Scheduled PI Due Amount; Current; Termination Date; Paid off Amount; Prepayment Penalty Paid; Loan Rate Ceiling; Loan Rate Floor; Maximum Rate Decrease; Maximum Rate Increase; Maximum Payment Cap; Maximum Negative Amortization; First Adjustment Month; Rate Adjustment Frequency; Rate Payment Adjustment Frequency; Underwriting Rate, etc.....
Would a system like AptData be useful to the Canadian housing industry?
The questions for this research are clear.
Is general information on operating costs, financial performance etc., at the property/asset level useful to the housing industry in Canada? How does the Canadian housing industry obtain such information now? Would access to this information improve the efficiency of the capital market? Would such an information system benefit non-profit organizations or industry associations?

Multi-Unit Rental Housing Database
Sample of Variables Contained in AptDat *(con t)*

What information should be included in the database?

What confidentiality requirements must be met to encourage lenders, investors, property managers, developers and owners, property sales agents/brokers, associations, government and non-government agencies, etc. to share financial and operating information?

The questionnaire we will be sending you is designed to probe these questions from the perspective of the individual organization.

Multi-Unit Rental Housing Database
Feasibility Questionnaire

Who is sponsoring this research?

Canada Mortgage and Housing Corporation (CMHC) has contracted with PRA Inc. to undertake a feasibility study of an information system for multi-unit rental housing. In light of the apparent success of the US database - AptData - CMHC wishes to assess the interests that the multi-unit rental housing industry (lenders, investors, property managers, developers and owners, property sales agents/brokers, associations, government and non-government agencies, etc.) might have in a similar system for Canada. Given that this is an ambitious undertaking, CMHC wishes to determine the extent of interest in the industry before proceeding.

What will be done with the results?

We will prepare a report for CMHC and then follow-up with several respondents in a conference call to further explore the feasibility of such a database. We will then use this information as the basis of a report to CMHC.

Why should I reply?

By replying to this survey, you will help determine whether such a database is feasible and desired by industry participants. Because only a small number of industry representatives have been contacted, your views are very important to this evaluation.

Is the information kept confidential?

Yes, all information you provide will be kept confidential by Prairie Research Associates Inc. Your opinions will be combined with those of others in the final report. In the report, the data will only be reported at an aggregate level, not according to individual respondents. Under no conditions will we reveal the responses of any individual respondent to CMHC or any other organization.

What is the number on the bottom of the questionnaire for?

To ensure that our survey is accurately tracked, we have assigned each survey a specific code. This code allows us to re-contact only those who have not yet replied. In doing so, we minimize costs and conserve public funds.

When should I return the questionnaire?

Please mail or fax the completed questionnaire directly to Prairie Research Associates Inc. as soon as possible. Use our toll-free fax number 1-800-717-5456 (in Winnipeg call 989-2454), or mail it in the enclosed self-addressed, postage-paid envelope.

Multi-Unit Rental Housing Database Feasibility Questionnaire

1. Please think about the information your organization uses with respect to the multi-unit rental housing market including - investing in or buying/selling properties, financing the acquisition or construction of new properties, regulating multi-unit rental housing, managing properties, or formulating policies for government (including advocacy). If you had access to a database on multi-unit rental housing, how important would the following types of information be? Please identify additional types of information (if any) that you would find useful.

Note: Information would not be provided for specific properties, but on an aggregate basis. Please mark NA/DK if the information is not applicable or you don't know.

	Not at all Important		Neutral		Very Important	NA/DK
Property attributes (general location, project size, number of storeys, unit sizes, number of bedrooms, parking, common amenities, type of structure, etc.)	O1	O2	O3	O4	O5	O6
Valuation data (last sale, current valuation, vacancy rate, etc.)	O1	O2	O3	O4	O5	O6
Financial performance (return on equity, gross rent - existing and potential, non-rent income, management charges, utility costs, total operating costs, etc.)	O1	O2	O3	O4	O5	O6
Loan information (mortgages - 1st and 2nd etc., amortization, interest, total debt, etc.)	O1	O2	O3	O4	O5	O6
Taxation (property tax, business taxes, allowances, etc.)	O1	O2	O3	O4	O5	O6
Other information that you would find useful (specify)	O1	O2	O3	O4	O5	O6
Other information that you would find useful (specify)	O1	O2	O3	O4	O5	O6

2. Please think about how your organization would use information from an industry-wide database. How important are the following functions to your organization? Please mark NA/DK if the information is not applicable or you don't know.

	Not at all Important		Neutral		Very Important	NA/DK
Comparing one's properties (costs/revenues) with industry benchmarks	O1	O2	O3	O4	O5	O6
Making purchasing decisions	O1	O2	O3	O4	O5	O6
Secure funding	O1	O2	O3	O4	O5	O6
Frame/develop policy and advocate for your constituency	O1	O2	O3	O4	O5	O6
Other uses (specify)	O1	O2	O3	O4	O5	O6
Other uses (specify)	O1	O2	O3	O4	O5	O6

Multi-Unit Rental Housing Database
Feasibility Questionnaire *(cont'd)*

3. How often do you rely on the following sources for financial and operational information on the multi-unit rental housing market in general (not individual properties)?

	Never	Seldom	Sometimes	Often	Always	NA/DK
Other uses (specify)	○1	○2	○3	○4	○5	○6
Own market/financial research	○1	○2	○3	○4	○5	○6
CMHC	○1	○2	○3	○4	○5	○6
Other government sources (e.g., provincial housing, Industry Canada)	○1	○2	○3	○4	○5	○6
Experience with properties owned/managed	○1	○2	○3	○4	○5	○6
Industry associations	○1	○2	○3	○4	○5	○6
Industry contacts (word of mouth)	○1	○2	○3	○4	○5	○6
Other (specify)	○1	○2	○3	○4	○5	○6
Other (specify)	○1	○2	○3	○4	○5	○6

4. How useful would information on the multi-unit rental housing market be for your organization, in the following jurisdictions?

	Not at all	Not Useful	Neutral	Useful	Very Useful	NA/DK
In your city	○1	○2	○3	○4	○5	○6
In your province	○1	○2	○3	○4	○5	○6
In other cities in Canada	○1	○2	○3	○4	○5	○6
Nationally	○1	○2	○3	○4	○5	○6
CMHC vacancy survey zones	○1	○2	○3	○4	○5	○6
Other (specify)	○1	○2	○3	○4	○5	○6
Other (Specify)	○1	○2	○3	○4	○5	○6

5. The US database described in the brochure allows users to access information in groups containing no less than 10 properties spread across 3 owners, providing an overall average for these properties. Would this model be acceptable to you?

Yes ○1 No ○2 No Opinion ○3

Please explain what level of confidentiality would be acceptable

6.Would access to this information improve the efficiency of the capital market (i.e., the availability of mortgage and loans for multi-unit rental property construction and acquisition)?

Yes ○1 No ○2 No Opinion ○3

Please explain

APPENDIX C

SURVEY

APPENDIX C
SURVEY VERBATIM

Multi-Unit Rental Housing Database Survey Verbatim	
Question 10:	Under what conditions would your firm be prepared to share financial and operational data on your real estate assets in multi-unit rental housing for use in an AptData type of database.
1.	With member permission
2.	We are a privately held company and at this time would probably not share financial and operational data. However, this may change in the future.
3.	Only if paid.
4.	Double blind to protect our information.
5.	Would require preferential pricing to access the database and other services.
6.	Subject to: 1. Definition of info to be provided 2. Satisfactory comfort as to confidentiality 3. Assurance of commitments to participate by a reasonable industry cross-section
7.	Terms and conditions would relate to reciprocity and confidentiality.
8.	Appropriate confidentiality, full access to info at no charge, available info being useful to us.
9.	Free access to system.
10.	We are lenders and therefore permission would come from the borrowers.
11.	To the same extent that our information is provided as a public company in our financial statements.
12.	1) Confidentiality must be guaranteed 2) An overview of how the information will be compiled and maintained and what methods of distribution will be used.
13.	As a lender, we do not own/purchase assets. However, subject to confidentiality (client) perhaps could give certain key data ratios on projects financed.
14.	Our interests revolve around information beneficial to our members.
15.	À la condition d'avoir accès aux données des autres institutions financières. ("On the condition of having access to the data of other financial institutions.")
16.	As a non-profit, our resources are quite small.
17.	Revenue/Expense details
18.	1) That it will be very inexpensive 2) Considers the information important and cannot pay for them.
19.	According to the level of confidentiality, the acceptance of the legal department, and that it will respond to real needs.
20.	Delicate - it remains to be defined

Multi-Unit Rental Housing Database Survey *(cont'd)*	
Question 11:	Do you have any other comments
1.	It's important to have cost per square foot for true comparison.
2.	Our association is not directly involved in multi-unit rental issues. However, many of our members do construct multi-unit buildings and we do communicate with the provincial government on tax and regulatory issues.
3.	There has been very little multi-family rental housing built in Alberta in the last 15 years, so answering some of the questions is difficult.
4.	Rural markets may not meet the ten-properties-spread-across-three-owners limitation on access to data. Could government be given access to this information based on strict usage and confidentiality criteria? There may be merit to negotiate an affiliation with apartment data in terms of time and cost-saving to bring the system online. Strongly encourage a web-based application rather than printed reports.
5.	A data base would be very useful to lenders such as ourselves to assist us in assessing the credit risk of lending to individual owners. Great idea.
6.	1. The degree of coverage that can be achieved determines basic usefulness 2. Proposal seems to be confusing two separate databases: a) an inventory of multi-unit rental by property attributes – where confidentiality is less a concern and the data are relatively stable, and b) Information on financial aspects of a). Our main concern is with the former.
7.	Problem in B.C. is that of about 500,000 rental units, about 125 are 'informal' — basement suites, etc. — and about the same are rental condos. Neither will be caught in the database.
8.	While a reasonable idea, the logistics involved because of the fragmented nature of the industry as compared to the U.S. (with 40 reits) makes it extremely difficult.
9.	We are members of rental housing council of <Province>. Together with the <Name> Association and the <Name> Association, collectively, membership is $2,000, representing about 100,000 rental units.
10.	Toutes vos questions et rubriques sont très pertinentes. ("All of the questions and headings are very relevant.")
11.	Responses to this questionnaire are based on the needs of the risk manager

APPENDIX D

SURVEY SAMPLE

APPENDIX D
SURVEY SAMPLE

Multi-Unit Rental Housing Database
Survey Sample

First Name	Last Name	Organization	Prov
David	Watson	Aargon	AB
Garth	Ainsley	Alberta Home Builders' Association	AB
Merv	Ellis	Alberta Construction Association	AB
Rick	Beaupre	Alberta Municipal Affairs	AB
		Apex Credit Union Ltd.	AB
Sam	Kolias	Boardwalk Equities, Inc.	AB
William G. R.	Partridge	Building Owners & Managers Association of Calgary	AB
Milton	Bogush	Calgary Apartment Association	AB
Dave	Smith	Calgary Construction Association	AB
Joe	Anghelone	Canadian Western Bank	AB
		Canapen Investments	AB
		CHEC Credit Union Ltd.	AB
Chris	Peterson V.P.	First Calgary Savings & Credit Union	AB
Maxine	Moore	Khoury Real Estate Services	AB
Jim	Hannan	Royal Trust	AB
Chris	Boatman	Amalgamated Construction Association of British Columbia	BC
Al	Kemp	Apt. Owners & Prop. Mgrs. Assn. of Vancouver Isl.	BC
Roberto	Aquilini	Aquilini Investment Group	BC
Richard	Peddie	B.C. Housing	BC
Abigail	Fulton	British Columbia Construction Association	BC
Paul	LaBranche	Building Owners & Managers Association of British Columbia	BC
Barb	Billy	Burnaby Savings Credit Union	BC
Jim	Leitch	Canada ICI Mortgage Services	BC
Mike	Esler	Canada ICI Mortgage Services	BC
Keith	Sashaw	Canadian Home Builders Association of British Columbia	BC
Frank	Zimka	CIBC Real Estate Group	BC
Chris	Catliff	Citizens Bank of Canada	BC
Vicki	Potter	Co-operative Housing Federation of BC	BC
Ken	Hodge	Community Savings Credit Union	BC
		Crosby Property Management Ltd.	BC
Scott	Ullrich	Gateway West Property Management	BC
		Greater Vancouver Community Credit Union	BC
Debbie	Johnson	Greater Vancouver Apt. Owners' Association	BC
Cameron	Gray	Housing Centre	BC
Charlotte	Ciok	Real Estate Institute of British Columbia	BC
Tex	Enemark	Rental Housing Council of B.C.	BC
Don	Sawchuk	Surrey Metro Savings Credit Union	BC
		United Civic Savings Credit Union	BC

Multi-Unit Rental Housing Database
Survey Sample *(cont'd)*

First Name	Last Name	Organization	Prov
Maureen	Enser	Urban Development Institute of Canada	BC
Barry	Fenton	VanCity	BC
		Wall Financial Corporation	BC
Darleen		Westminster Savings Credit Union	BC
John	Kenny	Apartment Investors of Manitoba	MB
Faye	Podolsky	Assiniboine Credit Union	MB
Tom	Hiebert	Astra Credit Union	MB
Rick	Male	Cambrian Credit Union	MB
Richard	Marantz	Globe General Agencies	MB
Patty	Hebert	Investors Group Trust	MB
R. W.	Fallis	Manitoba Housing Authority	MB
Bob	Kraigsley	Orange Properties Ltd.	MB
Paul	Webster	Professional Building Owners & Managers Assn. of Manitoba	MB
David	Grant	Professional Property Managers' Assoc.	MB
Fraser	Hebert	Shelter Canadian Properties Ltd.	MB
David	Bockstael	Winnipeg Construction Association	MB
Elizabeth	Hartlen	Building Owners & Managers Association Atlantic Canada	NS
Shaun	Gentile	Co-operative Housing Federation of Nova Scotia	NS
Carol	MacCulloch	Construction Association of Nova Scotia	NS
Elizabeth	Sutton-Conway	Credit Union Atlantic	NS
Sayed	Hussein	Gem Management	NS
David	Secourd	Heritage Credit Union	NS
Brian	Stonehouse	Housing and Municipal Affairs, Housing Services	NS
Sonja	Meisner	Investment Property Owners Assoc. of Nova Scotia	NS
Mike	Blaesing	Toronto Dominion Bank	NS
Kim	Sheals	Universal Property Management	NS
		Accurel Management	ON
Katherine	Krul	Association of Condominium Managers of Ontario	ON
		Bank of Nova Scotia	ON
Alex	MacKenzie	Bank of Montreal	ON
Ricardo H.	Turcios	Bayview	ON
		Brookfield Management Services Ltd.	ON
Carla	Kelman	Building Maintenance Contractors Association	ON
Marlene	Guttensohn	Canada Trust	ON
Michael	Atkinson	Canadian Construction Association	ON
Tom	Schwartz	Canadian Apartment Management Inc.	ON
		Canadian Condominium Institute	ON
Michael	Brooks	Canadian Institute of Public Real Estate Companies	ON
Yazdi	Bharucha	Cap Reit	ON

Multi-Unit Rental Housing Database
Survey Sample *(cont'd)*

First Name	Last Name	Organization	Prov
Ed	Gettings	CIBC	ON
Mary	Rickett	City of Toronto Shelter and Housing Support	ON
J.	Collins	Co-operative Housing Federation of Toronto	ON
Donna	Mayer	Co-operative Housing Federation of Canada	ON
Greg	Suttor	Community Services and Neighborhoods Dept.	ON
David	Surplis	Council of Ontario Construction Associations	ON
Richard J.	Cole	CST Corporation	ON
Judy	Rankel	Del Property Management Inc.	ON
Ruth	Bassel	Durand Management Ltd.	ON
Luigi	Caparelli	Eastern Ontario Landlords' Association	ON
Glen	Umiah	Equity Mortgage Corp.	ON
Philip	Dewan	Fair Rental Policy Organization of Ontario	ON
Tina .	Humphrey	Frastell Property Management	ON
		General Property Management Inc.	ON
David	Smart	Golden Horseshoe Co-operative Housing Federation	ON
Annette	Fogle	Goldlist Property Management	ON
Gloria	Salomon	Gonte Construction Limited	ON
Stephen E.	Dupuis	Greater Toronto Home Builders' Association	ON
Gary	Griesdorf	Greater Toronto Apartment Association	ON
Michael	Bolahood	Greenwin Property Management	ON
		GTA Savings and Credit Union Ltd.	ON
Stan	Capp	H & R Property Management Ltd.	ON
H.	Kassinger	H. Kassinger Construction Ltd.	ON
Glenn	Martin	HEPCOE Credit Union Limited	ON
Thomas H.	Heilborn	Imperra Gen. Mgmt. Inv. Corp. Ltd.	ON
David	Petrie	Institute of Housing Management	ON
L.	Macchione	International Real Estate Federation of Canada	ON
Gabriella	Favero	Kaneff Properties	ON
Mitch	Rassmussen	Lawrence Construction Co. Ltd.	ON
S.	Ross	M & R Property Management	ON
		Manulife Bank of Canada	ON
Alex	Bogorad	Medhurst, Hogg, Sobotka, Leong & Assoc	ON
		Metro Credit Union Ltd.	ON
Michael	O'Gallagher	Metro Capital	ON
Peter	Schafft	Metro Toronto Housing Authority	ON
Richard	Lyall	Metro Toronto Apartment Builders' Association	ON
Eric	McKinney	Minto Development, Inc.	ON
Tony	Allen	Minto Management Limited	ON
		O & Y Enterprise	ON

Multi-Unit Rental Housing Database
Survey Sample *(cont'd)*

First Name	Last Name	Organization	Prov
Patricia	Mackie	Ontario Real Estate Association	ON
		Ontario Building Envelope Council	ON
David	Horton	Ontario Home Builders Association	ON
Fred	Dobbin	Park Property / Hanseatic	ON
Leo	Perkell	Perkell Bros. Const. Co. Ltd.	ON
Robin	Bookbinder	Pinedale Properties Ltd.	ON
Patrick	Dillon	Provincial Building & Construction Trades Council	ON
Amir	Kassam	Rambler Dennedy Properties Inc.	ON
Elaine	Leibner	Real Estate Institute of Canada	ON
John	Lago	Realstar Management	ON
John	Scott	ResRelt	ON
Russell E.	Tanz	Revenue Properties Company Ltd.	ON
Ted	Edberg	Royal Trust Corp.	ON
Howard	Rubinoff	Samuel Property Management Ltd.	ON
Tina	Schickedanz	Schickedanz Bros. Properties	ON
Marvin A.	Sadowski	Sterling Silver Developments Corporation	ON
Klaus	Vogel	The Tandem Group	ON
Jeff	Gould	The Regional Group of Companies	ON
Sam	Ross	Three R Property Management Ltd.	ON
		Toronto Dominion Bank	ON
Kathleen	Young	Trimark Trust	ON
Murray	Cornblum	Trivest Developments Corporation	ON
Barbara	Spavins	Tycon Realty Ltd.	ON
Robert P.	Hann	Valiant Property Management Ltd.	ON
Sam	Grossman	W. J. Realty Management	ON
James	McBain	Wallace, McBain & Associates Ltd.	ON
Ron	Kimel	Westdale Construction Company	ON
Michel	Poitras	Agents immobiliers du Québec	PQ
Maitre Gisele	Bourque	Association des constructeurs de routes et grands travaux du Québec	PQ
Jean-Pierre	Sirard	Association provinciale des constructeurs d'habitations	PQ
Sylvio	Desrivieres	Association de la construction de l'Outaouais	PQ
Rejean	Tardif	Association de la construction du Québec	PQ
Pierre	Dion	Association des entrepreneurs en construction du Québec	PQ
Jacques	Aubry	Assurance-vie Desjardins-Laurentienne	PQ
		Caisse Populaire Desjardins de Sainte-Marie	PQ
Rejean	Falardeau	Caisse de dépôt et placement du Québec	PQ
		Caisse centrale Desjardins	PQ
Gaston	Morzadec	Centre d'accueil pour les prairies	PQ
Sophie	Menard	Centre hypotécaire, Bank of Montreal	PQ
Maurice	Poulliot	Conseil provincial du Québec des métiers de la construction	PQ
Dr. Paul	Fazio	Conseil de l'enveloppe du bâtiment du Québec	PQ

Multi-Unit Rental Housing Database
Survey Sample *(cont'd)*

First Name	Last Name	Organization	Prov
Andre	Paquin	Fédération CSN - Construction (CSN)	PQ
Sylvie	Blain	Fiducie Desjardins Inc.	PQ
Alain	Lellouche	General Service Santé	PQ
Gilles	Paradis	L'industrielle-alliance	PQ
Celine	Demers	Laurentian Bank of Canada	PQ
Michel	Gagnon	National Bank of Canada	PQ
Michel	Constantin	Placements Constantin and Assoc.	PQ
Jean	Cote	Quebec Landlords Corporation	PQ
Lucie	Dorval	Royal Bank of Canada	PQ
		Societé de portefeuille du groupe Desjardins	PQ
Andre	Marcil	Societé d'habitation du Québec	PQ
Sylvain	Gendron	Syndicat de construction Côte-Nord (ind.)	PQ
Eric	Ouellet	Trust & Bank Scotia	PQ

APPENDIX E

LETTER TO TELECONFERENCE PARTICIPANTS

APPENDIX E
LETTER TO TELECONFERENCE PARTICIPANTS

June 23, 1999

Dear Mr. :

Thank you for completing our recent questionnaire regarding the feasibility of implementing an industry-wide database for the Canadian multifamily rental housing industry.

For phase 2 of our research, we (PRA Inc.) will be conducting teleconferences with industry representatives to expand upon insights gained through the questionnaire (phase 1). During these calls, we would like to revisit issues such as confidentiality, pricing, and data needs of the industry. We would also like to address alternatives to the proposed database, and identify the format and data model that is best suited to the industry, based on the comments you provide.

We are asking industry representatives, like yourself, to participate in a brief 30 minute teleconference with one or two other industry representatives to discuss issues relevant to the proposed database and the informational needs of the industry. We will not ask you to talk about your buildings or properties or reveal any commercially sensitive information.

We would like to conduct the teleconferences on either July 15th or July 22nd, depending on your availability. If you prefer, a colleague can participate in your place, if your own schedule will not enable you to participate. We will be calling within the next week to see what time is most convenient for you.

If you have any questions about the study, please contact either myself or Mike Krywy at (204) 987-2030 (or by email at mason@pra.ca or krywy@pra.ca). If you wish to speak with someone from CMHC, David Scherlowski at (613) 748-2428 would be pleased to discuss any aspect of this project.

Thank you.

Greg Mason (PRA)
Partner

APPENDIX F

GROUP INTERVIEW PROTOCOL

APPENDIX F
GROUP INTERVIEW PROTOCOL

Group Interview Protocol
Task 3 - Teleconferences with key informants
1. What would you consider to be the main advantages of having an industry database on financial / operational data for multifamily rental housing? Would it help address the following issues: - liquidity - under-investment - securing funding - policy development - making purchase decisions - benchmarking (comparing one's properties to others).
2. Are there other issues that such a database might help address? Are there other types of information that a national database could provide, that are not already provided elsewhere?
3. Do you have any concerns about such a database? Is cost a key concern? Is there a minimum coverage (regional, range of properties, etc.) that is needed?
4. Under what conditions would you share information on your properties? What data would you share? What would you not share?
5. What is an acceptable level of confidentiality in terms of aggregation (10 properties, 3 owners)? Is there enough market density to generate this level of confidentiality? In what regions would this not be possible? Would data on properties outside a particular location in which you might be interested in be useful to you?
6. Do you believe that there is enough commitment among other industry representatives to make this project feasible?
7. Are there other obstacles towards making this project feasible? Is demand for multifamily rental housing sufficient to warrant this database? Have price controls impeded the development of multifamily rental housing? Will rental units increase in supply as price controls come off?
8. Overall, do you think a national database is feasible? If so, what are the main issues that need to be addressed? If not, what issues stand in the way?
Other models / formats
9. Are there other ways in which industry-wide information could be provided that would more closely suit your needs? Would an annual report aggregating industry wide information suit your needs, if it contained information similar to the proposed national database?
10. Would partnership with the U.S. database be feasible? What are your main concerns? What do you see as advantages to this model?
11. If a report were made available, how often would you like information to be provided to be useful (i.e., annually, bi-annually, quarterly)?
Cost
12. Are industry representatives willing to pay for information if it were in the form of an industry-wide database? As an annual report? How much should the federal government contribute to its development? What are typical fees for this service? Should the fee be a flat charge or geared to the number of units owned/managed/financed?

APPENDIX G

LIST OF GROUP INTERVIEW PARTICIPANTS

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List of Group Interview Participants

Name	Title	Organization
Tex Enemark	Executive Director	Rental Housing Council of B.C.
Brad Butt	Executive Director	Greater Toronto Apartment Association
Jeff Gould	Vice-President, Property and Asset Management	The Regional Group of Companies
Rick Beaupre	Assistant Deputy Minister, Housing and Consumer Affairs	Alberta Municipal Affairs
Marvin Sadowski	Executive Vice-President	Sterling Silver Development Corporation
Sam Kolias	President	Boardwalk Equities, Inc.
Richard Lyall	General Manager	Metro Toronto Apartment Builders' Association
Al Kemp	Chief Executive Officer	Apartment Owners and Property Managers Association of Vancouver Island
David Surplis	President	Council of Ontario Construction Associations

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